

Applicant: Vinayek K. SINGH et al.  
Appl. No.: 10/678,376

**REMARKS**

Claims 1 and 26 have been amended, and claims 33 and 34 are added to the application. The Applicants have carefully and thoughtfully considered the Office Action and the comments therein. For the reasons given below, it is submitted that this application is in condition for allowance.

1. Applicants thank the Examiner for the personal interview on January 19, 2004, and now make the substance of the interview of record as required in the Interview Summary.

The following participated in the interview: Examiner Jason M. Borlinghaus, SPE Hyung Sough, Michael Sartori, Stephen Goulet, Matt Margulies, Gurdeep Malik, and Marshall Flax.

The following claim was discussed: claim 1.

The following prior art was discussed: U.S. Patent Application Publication No. 2002/0038278 to Himmelstein (hereinafter Himmelstein).

The general nature of what was discussed is as follows. Applicants argued that Himmelstein does not teach (1) the use of unilateral orders, (2) maximization /optimization of matching; and (3) constrained net activity as dictated in claim 1 of the application. Examiner Borlinghaus agreed to review and reconsider the application upon receipt of a formal response from Applicants.

2. In the Office Action on page 2 in the first paragraph, claim 26 is objected to for an

Applicant: Vinayek K. SINGH et al.  
Appl. No.: 10/678,376

informality, namely a typographical error. Applicants thank the Examiner for the suggestion and have amended claim 26 accordingly. Claim 26 is additionally editorially amended.

3. In the Office Action on page 2 in the second and third paragraphs, claims 29 and 30 are objected to as being of improper dependent form. Applicants respectfully traverse the objection.

In rejecting claims 29 and 30, the Office Action cites M.P.E.P. § 608.01(n) and applies the “infringement test.” Claims 29 and 30, however, pass the test set forth in M.P.E.P. § 608.01(n). According to M.P.E.P. § 608.01(n), the appropriate test is as follows:

The test for a proper dependent claim under the fourth paragraph of 35 U.S.C. 112 is whether the dependent claim includes every limitation of the claim from which it depends. The test is not one of whether the claims differ in scope. Thus, for example, if claim 1 recites the combination of elements A, B, C, and D, a claim reciting the structure of claim 1 in which D was omitted or replaced by E would not be a proper dependent claim, even though it placed further limitations on the remaining elements or added still other elements.

Applying this test, claims 29 and 30 pass. Claims 29 and 30 neither omit an element of claim 1 nor replace an element of claim 1 with another element. Instead, claims 29 and 30 further limit how the method of claim 1 is to be performed.

The Office Action is apparently concerned that claims 1, 29, and 30 recite different statutory classes. There is, however, no prohibition against independent and dependent claims in different statutory classes. According to M.P.E.P. § 608.01(n):

The fact that the independent and dependent claims are in different statutory classes does not, in itself, render the latter improper. Thus, if claim 1 recites a specific product, a claim for the method of making the product of claim 1 in a

Applicant: Vinayek K. SINGH et al.  
Appl. No.: 10/678,376

particular manner would be a proper dependent claim since it could not be infringed without infringing claim 1. Similarly, if claim 1 recites a method of making a product, a claim for a product made by the method of claim 1 could be a proper dependent claim.

This last example is relevant to the case here. Claim 1 of the application recites a method, and claims 29 and 30 depend from claim 1. Claim 29 recites: "A computer for performing the method of claim 1," and claim 30 recites: "A computer-readable medium having software for performing the method of claim 1." In the last example above, the independent claim recites a method, and the proper dependent claim recites a product made by the method of the independent claim. Likewise, here, claim 1 recites a method, and the proper dependent claims 29 and 30 recite a computer and a computer-readable medium having software, respectively, for performing the method of claim 1. Thus, claims 29 and 30 are proper, even though they are in different statutory classes.

4. In the Office Action on pages 2-4, claims 1-10, 12-14, and 16-28 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claim 1 has been amended accordingly to recite that the method employs at least one computer. Claims 2-10, 12-14, and 16-28 are dependent from amended claim 1. Hence, it is respectfully submitted that claims 1-10, 12-14, and 16-28 recite statutory subject matter.

5. In the Office Action on page 4-10, claims 1-15, 18, and 26-31 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application Publication No. 2002/0038278

to Himmelstein (hereinafter Himmelstein). Applicants respectfully traverse the rejection.

Claim 1 recites a method for matching orders by employing at least one computer comprising the steps of: receiving a plurality of orders from a plurality of participants to buy and/or sell a plurality of products, each order being a unilateral order from one of said participants identifying a number of units of one of said products to buy or sell; setting swap prices for said products; and matching units of said orders based on constrained net activity for said participants and said products to maximize a number of units matched to obtain matched orders and unmatched orders, said matching independent of said swap prices.

Himmelstein fails to teach at least three features of claim 1. First, Himmelstein fails to teach a unilateral order. As discussed in the application, for example, on page 9 in paragraph 55:

A unilateral order identifies a number of units of a product to buy or sell. The unilateral order of the invention is distinguished from the bilateral order in conventional barter systems. A bilateral order identifies a number of units of a first product to sell in exchange for a number of units of a second product to buy, whereas a unilateral order identifies a number of units of a single product to buy or sell.

Himmelstein teaches bilateral orders, like the conventional barter systems discussed in the application. In Figure 2, Himmelstein teaches a bilateral order as a barter order 226 having a quantity 230 of the stock to be bartered, a value 232 at which the barterer is willing to barter, a desired stock 234, and a value 236 at which the barterer is willing to barter for the desired stock.

Himmelstein, page 4, paragraph 41. In Figure 6, Himmelstein also teaches a display section 610 listing a number of bilateral orders as barter orders. Himmelstein, page 9, paragraph 102. Although Himmelstein teaches bilateral orders as in conventional systems, Himmelstein fails to

teach unilateral orders.

In addition to teaching bilateral orders, Himmelstein also teaches delayed bilateral orders. Himmelstein, page 11, paragraph 119. With a delayed barter order, an individual identifies a security to be bartered for a to-be identified item. The to-be identified item, however, must be identified to complete the transaction and exchange the items.

Where the system 100 or a designated entity acts as an intermediary, a barterer can create a barter order that does not require a security at the same time it barters away its own security. For example, an individual may allow their security to be bartered for an interest of equal value which the barterer can identify at a later time. The understanding being that the barterer can defer the completion of the transaction by the website or a designated entity acting as intermediary. If another barterer accepted the barter order terms, the funds for the transaction are immediately placed in an escrow account. For example, if the current tax law permitted, the system 100 would allow "X" number of days to choose a particular security and "X" number of additional days to actually acquire the new security. Therefore, the website or a designated entity may hold the securities in escrow as a third party. The website or a designated entity may, upon being directed by the barterer who has funds in escrow, acquire a specific security to complete the barter.

Himmelstein, page 11, paragraph 119. Himmelstein teaches delayed bilateral orders where one part is identified before the barter and the other part is identified after the barter is accepted. However, with a delayed bilateral order, this other part must be identified to complete the transaction and to exchange the items being bartered. The delayed bilateral order of Himmelstein is not the same as the recited unilateral order. Hence, Himmelstein fails to teach unilateral orders, and claim 1 is allowable for a first reason.

Second, Himmelstein fails to teach matching units of said orders based on constrained net activity for the participants and the products. In contrast, Himmelstein teaches no constraints on

the matching. As illustrated in Figure 4D in step 448 of Himmelstein, the matching engine searches the website database for one or more barter orders to satisfy the submitted barter order. Himmelstein, page 9, paragraph 100. In steps 450 and 454, the matched barter orders are displayed for the user in section 610 of Figure 6. Himmelstein, page 9, paragraph 101-102. Himmelstein fails to teach any constraints on this matching and further fails to teach constrained net activity for the participants and the products when performing the matching. Hence, fails to teach matching units of said orders based on constrained net activity for the participants and the products, and claim 1 is allowable for a second reason.

Third, Himmelstein fails to teach matching units to maximize a number of units matched. Instead, Himmelstein teaches no maximization when performing the matching. As discussed above for the second reason, as illustrated in Figure 4D in steps 448, 450, and 454, the matching engine searches the website database for one or more barter orders to satisfy the submitted barter order, and the matched barter orders are displayed for the user as in section 610 of Figure 6. Himmelstein, page 9, paragraphs 101-102. Further, in step 458, the user decides which barter order is the best for the user and selects this barter order by clicking on the order. Himmelstein, page 9, paragraph 103. As stated at the top of Figure 6 of Himmelstein, “Available Barter Orders; Note: Click on order # if choose to do barter.” The user, not the computer system of Himmelstein, determines which matched bartered order is “best” for the user. Himmelstein fails to teach any maximization in matching the bartered orders. Hence, Himmelstein fails to teach matching units to maximize a number of units matched, and claim 1 is allowable for a third

Applicant: Vinayek K. SINGH et al.  
Appl. No.: 10/678,376

reason. Thus, claims 1 is allowable over Himmelstein.

Claims 2-15, 18, and 26-30 are dependent from claim 1 and are allowable as being dependent from an allowable claim.

Claim 31 is an independent claim. Claim 31 is allowable for the same reasons as discussed above for claim 1.

6. In the Office Action on pages 11-16, claims 16, 17, 19-25, and 32 are rejected under 35 U.S.C. § 103 as being rendered obvious by Himmelstein in view of various combinations of documents. Applicants respectfully traverse the rejection. Claims 16, 17, and 19-25 depend from claim 1, and claim 32 depends from claim 31. As these claims are dependent from an allowable claim, they are likewise allowable. Moreover, the additional documents used to reject these claims fail to overcome the deficiencies of Himmelstein. Hence, claims 16, 17, 19-25, and 32 are allowable.

7. Claims 33 and 34 are added as dependent claims from claim 1. Claims 33 and 34 are allowable as being dependent from an allowable claim.

8. The fee of \$100 is being submitted herewith for two additional claims in excess of twenty (2 X \$50 = \$100). Please charge Deposit Account Number 22-0261 accordingly and notify the undersigned. If a greater or lesser fee is required, please charge or credit Deposit

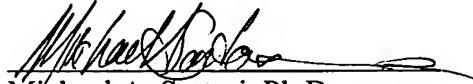
Applicant: Vinayek K. SINGH et al.  
Appl. No.: 10/678,376

Account No. 22-0261 accordingly and notify the undersigned.

THEREFORE, because all objections and rejections have been overcome, it is submitted  
that claims 1-34 are allowable, and such allowance is requested

Respectfully submitted,

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